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Programme budget for the biennium 2002-2003

Construction of additional office facilities at the Economic Commission for Latin America and the Caribbean

Ninth report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the construction of additional office facilities at the Economic Commission for Latin America and the Caribbean (ECLAC) (A/57/467). During its consideration of the report, the Advisory Committee met with representatives of the Secretary-General, who provided additional information.

2. The Advisory Committee notes that the report of the Secretary-General was submitted in accordance with the procedures outlined in its report on building construction (A/36/643). In this regard, the letter dated 10 September 2002 from the Chairman of the Advisory Committee to the Secretary-General is provided in the annex below. As indicated therein, the Committee concurred with the submission to the General Assembly of the proposal for construction of a new office building at the United Nations compound in Santiago.

3. The report of the Secretary-General indicates that the proposal for additional space results from the need to relocate 63 staff who currently occupy 608 square metres (m²) of temporary office space that does not comply with safety requirements or provide adequate working conditions (A/57/467, para. 11). The proposed net addition of office space of 733 m² in the form of three modules would complete the "E"-shaped formation of the North Building. The proposed new space would allow 615 m² for the relocation of the 63 staff members and 118 m² of swing space. As further indicated in the report, this is based on standard office requirements per individual, as recommended by the Advisory Committee¹ and approved by the General Assembly in its decision 31/425 (ibid., para. 13).

4. The total cost of the construction amounts to \$736,900 and is broken down in paragraph 15 of the report. The total duration is estimated at 14 months, including 5 months for the design, cost plan preparation, construction bidding and contract



finalization stages, plus 9 months for the mobilization and construction stages (*ibid.*, para. 14). Upon enquiry, the Advisory Committee was informed that ECLAC had carried out a pre-feasibility study in order to fine-tune the costs presented.

5. In connection with the administrative and funding arrangements for the proposed construction project (*ibid.*, paras. 20-23), the Committee notes that the Secretary-General is proposing to fund the project from the available unutilized balance of the construction-in-progress account, which amounted to \$8,753,000 as at 30 June 2002 as a result of additional income from investments. In view of the approved utilization of an amount of \$7,711,800 for the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (see General Assembly resolution 56/270 of 27 March 2002), the unutilized balance of the construction-in-progress account amounts to \$1,041,200.

6. The Advisory Committee further enquired as to the central management responsibility, which would be carried out by the Office of Central Support Services at Headquarters. The Committee was informed that since the ECLAC project was relatively small and well-defined, with a design derived from previously built modules already available, it would only require broad oversight by the Office to ensure observance of United Nations construction standards and procedures. The existing staff of the Planning, Design and Overseas Properties Section of the Facilities Management Division of the Office, therefore, can easily absorb the additional workload.

7. In view of the above, the Advisory Committee recommends that the General Assembly authorize the construction of the three new modules, with an additional gross space of 733 m², as an extension to the North Building at the United Nations compound in Santiago. The Committee also recommends that the Assembly authorize the funding of the total estimated cost of \$736,900 from the available balance of the construction-in-progress account.

Notes

¹ *Officia' Records of the General Assembly, Thirty-first Session, Supplement No. 8 (A/31/8 and Add.1-26), document A/31/8/Add.4.*

Annex

Letter dated 10 September 2002 from the Chairman of the Advisory Committee on Administrative and Budgetary Questions to the Secretary-General

The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/CN.1/R.1199) dated 24 June 2002 on the construction of additional office facilities at the Economic Commission for Latin America and the Caribbean (ECLAC) in Santiago, Chile. The Committee notes that the submission is in line with the procedures outlined in the report of the Advisory Committee (A/36/643), endorsed by the General Assembly in its resolution 37/237 of 21 December 1982, regarding the need to inform the Advisory Committee following the Secretary-General's determination of the need for a new construction or major alterations of existing premises.

As indicated in paragraph 12 of the report, the proposal for additional space results from the need to relocate 63 staff who currently occupy temporary office space which does not comply with safety requirements or provide adequate working conditions. The proposed net addition of 733 square metres, in the form of three modules, would complete the "E"-shaped formation of the North Building, allowing for 615 square metres for the relocation of the existing staff and for a remaining 118 square metres of swing space.

The Committee notes, as indicated in paragraphs 15-16, that the total cost for the construction of the extension to the North Building is expected to amount to \$736,900, as broken down in paragraph 16 of the report, and that the total duration of the construction is estimated at 14 months, including 5 months for the design, cost plan preparation, construction bidding exercise, and contract finalization stages, plus 9 months for the mobilization and construction stages.

The Committee further notes that the Secretary-General is proposing to fund the new construction project in Santiago from the available unutilized balance of the construction-in-progress account, which, as indicated in paragraph 23 of the report amounted to \$8,558,000^a as at 31 December 2001 as a result of additional investment income. In view of the approved utilization of an amount of \$7,711,800 for the construction of additional office facilities at the Economic Commission for Africa in Addis Ababa (see General Assembly resolution 56/270 of 27 March 2002), the unutilized balance of the construction-in-progress account therefore amounts to \$846,200.

Under the circumstances, and taking into account the information provided by the representatives of the Secretary-General during the hearings conducted by the Advisory Committee on the subject, as well as the pre-feasibility study carried out by ECLAC in order to fine-tune the costs involved, the Committee concurs with the Secretary-General's intention to submit a proposal to the General Assembly for the construction of three new modules with an additional space capacity of 733 square

^a Orally corrected from \$8,453,000 during the hearings.

metres as an extension to the North Building at ECLAC. The Committee further concurs with the proposal to fund the estimated costs of \$736,900 from the available balance of the construction-in-progress account in view of the assurances received that the final budgeted figures would not exceed the current estimates.

(Signed) C. S. M. Mselle
Chairman